

**CONCEPT PAPER ON THE  
ASEAN INTER PILLAR POLICY DIALOGUE ON THE  
IMPACT OF ASEAN ECONOMIC INTEGRATION IN LABOUR SECTOR IN  
REALISATION OF ASEAN ECONOMIC COMMUNITY (AEC)  
KUALA LUMPUR, MALAYSIA ON 21 MARCH 2016**

**A. Introduction**

1. The ASEAN Community (AC) was created in 2015 with the ASEAN Economic Pillar, the ASEAN Political-Security Pillar and the ASEAN Socio-Cultural Pillar which will undertake their respective actions according to the sectors. The ASEAN Economic Community (AEC) aims to have ASEAN as a single market, with a single production base that implies the free flow of production, including skilled labour and capital. This translates into a single market with new businesses and employment opportunities for some 600 million people, with an annual average growth of 5.1 per cent.

2. Meanwhile, the ASEAN Socio-Cultural Community (ASCC) aims to contribute to realising an ASEAN Community that is people-oriented and socially responsible with a view to achieving enduring solidarity and unity among the peoples and ASEAN Member States (AMS). Specifically, on labour sector, ASCC focused on developing the human capital.

3. ASEAN inter pillar policy dialogue on the impact of ASEAN economic integration in labour sector is one of the ASEAN Labour Ministers' (ALM) Work Programmes of 2016 – 2020. It is one off event. It will be examining the impact of economic integration in labour sector specifically, upon the creation of AEC. Among the economic and gender issues that influence the labour sector that transcends the AEC and ASCC pillars are supply chains, self-employment and entrepreneurship of women, wages, productivity, decent work, mobility of labour and labour market.

4. Malaysia as the country coordinator for this work programme will organise it with the support of the ASEAN Secretariat (ASEC), the International Labour Organization (ILO), the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), and the Friedrich-Ebert-Stiftung (FES). The inter pillar policy dialogue will be a one day event in Kuala Lumpur, Malaysia on 21 March 2016.

5. The inter pillar policy dialogue brings together senior civil servants of ten ASEAN Member States (AMS), ASEC, ILO, UN Women, and FES officials' and experts' as well as regional representatives of ASEAN Confederation of Employers (ACE), ASEAN Trade Union Council (ATUC), ASEAN Services Employees Trade Union Council (ASETUC), and selected relevant regional civil society organisations.

6. The inter pillar policy dialogue will put across a summary of discussion to the ASEAN Labour Ministers' Meeting in May 2016, in Vientiane, Lao PDR.

**B. Rational of convening the ASEAN inter pillar policy dialogue and its format**

7. In 2014, ILO and Asian Development Bank (ADB) launched the Study entitled "ASEAN Community 2015: Managing Integration for Better Jobs and Shared Prosperity." While recognising AEC's potentials to accelerate growth, the Study projected the accompanying changes in the composition and distribution of jobs in future which consequently lead to challenges in terms of employment gain and loss, skills development, wages and productivity, labour migration and social protection systems. The Study calls for ASEAN and AMS to address these issues in order to ensure that women, men and vulnerable groups will enjoy benefits of the regional integration.

8. In 2015, a Study on "Projected Gender Impacts of ASEAN Economic Community (AEC)" commissioned by UN Women and FES in collaboration with the ASEAN Committee on Women (ACW) and ASEAN Commission on the Promotion and Protection of the Rights of Women and Children (ACWC) was

undertaken. It was also projected that while the establishment of AEC would lead to an increase in jobs across the region. Women would not enjoy much benefit in term of share of opportunities unless deliberated strategies were in place. The Study shows that despite the narrowing in education gap between men and women, there remains job and skill mismatch and institutional barriers to employment for women. Women would continue to be dominant in certain sectors, many of which were informal. In addition, the Study notes that despite women's participation in employment, they were still expected to carry out domestic responsibilities.

9. The inter-pillar policy dialogue this time will focus on the economic and gender dimensions of labour sector, based on the afore-mentioned studies undertaken by ILO and UN Women. Each issue will be steered by the ILO and UN Women experts' through a brief presentation. The brief presentation can consist of neither background to the issue nor case study of a particular ASEAN member states (AMS) based on undertaken studies mentioned above. Such brief presentation is important in order to set the right tone of deliberation for the participants to contribute as well. The brief presentation will be divided into two sessions according to the issues reflected below.

10. After the brief presentation, key stakeholders consisting of senior civil servants of AMS and regional representatives of ASEAN Confederation of Employers (ACE), ASEAN Trade Union Council (ATUC), ASEAN Services Employees Trade Union Council (ASETUC) and civil society organisations will be responding to the issues. Prior identification of the respective senior civil servants of AMS and regional representatives of ACE, ATUC, ASETUC and civil society organisations will be determined in order to have a smooth deliberation.

11. The following are the identified issues:

**Session One**

- i. How does the realisation of ASEAN Economic Community will affect the self-employment and entrepreneurship of women?

- ii. How informal economy would impact ASEAN member state in relation to the realisation of ASEAN Economic Community?

**Session Two**

- i. How labour market structural changes impact ASEAN member states in an integrated ASEAN?
- ii. What would be the patterns of wages and productivity of enterprises which would likely endure in relation to the realisation of ASEAN Economic Community?

**C. Objectives of the ASEAN inter pillar policy dialogue**

12. A number of lessons can be drawn from the experience of AMS. These are important to articulate in order to consider the dynamics of economic and gender issues that influence the labour sector that transcends AEC and ASCC.

13. A policy dialogue can help to set a common direction for AMS initiatives that touch upon or relate to the labour related actions at AEC and ASCC pillars respectively.

14. This policy dialogue provides a platform for collaborative problem solving, which clearly moves beyond the simple sharing of information. The joint resolution of problems can enable deliberative discussions in which AMS work together on economic and gender issues that influence the labour sector.

15. As the AEC and ASCC pillars are dealt by different government agencies of AMS, such policy dialogue will assist to consolidate, where possible and appropriate, common government procedures that apply across departments, such as application and evaluation. The consolidation of procedures is relevant for the action lines in supporting common goal under the respective pillars.

16. The inter pillar policy dialogue will also provide an opportune venue for the officials of Malaysia together with UN Women to launch of the Study on Projected

Gender Impact of the ASEAN Economic Community which was submitted for notation by the ASEAN Leaders at the 27<sup>th</sup> ASEAN Summit in November 2015 in Kuala Lumpur, Malaysia.

**D. Programme Details**

17. The inter pillar policy dialogue will consists of a Keynote Address by the Honourable Minister of Human Resources of Malaysia, followed by a plenary session dealing with related issues mentioned above and finally put across the summary of discussion. The details of the programme are as follows:

**21 March 2016, Monday**

8.30am Registration

**Opening Session**

9.00am Welcoming Remarks by the Secretary General of the Ministry of Human Resources of Malaysia

9.05am Remarks by the representative of ILO

9.10am Remarks by the representative of UN Women

9.15am Remarks by the representative of FES

9.20am Remarks by the representative of the ASEAN Secretariat

9.25am Opening Remarks and Keynote Address by the Honourable Minister of Human Resources of Malaysia

9.45am Launch of the Study Report on Projected Gender Impact of the ASEAN Economic Community

Photo Session

Press Conference by the Honourable Minister of Human Resources

Morning Refreshment

**Plenary Session**

10.30am Session One: Discussions lead by ILO experts'

1. How labour market structural changes impact ASEAN member states in an integrated ASEAN?

2. What would be the patterns of wages and productivity of enterprises which would likely endure in relation to the realisation of ASEAN Economic Community?

12.30pm Lunch

02.00pm Session Two: Discussions lead by ILO and UN Women experts'

1. How informal economy would impact ASEAN member states in relation to the realisation of ASEAN Economic Community?
2. How does the realisation of ASEAN Economic Community will affect the self-employment and entrepreneurship of women?

04.00pm Afternoon Refreshment

### **Closing Session**

04.30pm Presentation of Token of Appreciation

Closing Remarks by the Deputy Secretary General

(Policy & International) of Ministry of Human Resources of Malaysia

05.00pm End of Inter Pillar Policy Dialogue

### Format

Experts of ILO/ UN Women will start of the discussion by giving a brief presentation on the questions reflected above. The brief presentation is linked to the two studies that been undertaken by ILO and UN Women. Each session will begin with the presentations of ILO and UN Women experts, to be followed by discussants from ACE / ATUC / ASETUC / CSOs. Then, government officials will also exchange their views.

### Participants who will directly participate in the plenary session

Maximum ten participants. Senior civil servants of AMS, who represent the ASEAN pillar according to the issue deliberate during the session and regional representatives of ACE, ATUC and ASETUC will take part in the information sharing as well as to respond to the brief presentation of ILO / UN Women experts. The participants will be determined prior to the session by the AMS and regional organization.

**E. Date and Venue**

18. Malaysia is to host the ASEAN inter pillar policy dialogue on the impact of ASEAN economic integration in labour sector in Royale Chulan Kuala Lumpur, Malaysia, on 21 March 2016. The inter pillar policy dialogue will be a one day event.

**F. Participants**

19. Participants consist of senior officials from ten AMS who deal with the economic and gender issues that influence the labour sector that transcends AEC and ASCC pillars, ASEC officials, ILO, UN Women and FES officials' and experts' as well as regional representatives of ASEAN Confederation of Employers (ACE), ASEAN Trade Union Council (ATUC), ASEAN Services Employees Trade Union Council (ASETUC), and selected relevant regional civil society organisations.

20. The estimated number of participants is up to 80, which will consist of:

- Senior officials from ministry responsible for trade and commerce from 10 AMS (2 per AMS, total 20);
- Senior officials from ministry responsible for labour from 10 AMS (1 per AMS, total 10);
- Senior officials from ministry responsible for women and gender equality from 10 AMS (1 per AMS, total 10);
- Representatives from ASEAN Economic Community Department and ASEAN Social Cultural Department of the ASEAN Secretariat;
- Representatives from ILO, UN Women, and FES;
- Representatives from regional workers' and employers' organisations, notably ACE, ATUC and ASETUC (1 per organisation, total 3);
- Representatives from regional CSOs (1 per organisation); and

- Additional representatives from Malaysia from Ministry of Human Resources of Malaysia and additional representatives from related Ministries of Malaysia (up to 20).

**G. Output of the ASEAN inter pillar policy dialogue**

21. The inter pillar dialogue will put across a summary of discussion to the ASEAN Labour Ministers' Meeting in May 2016, in Vientiane, Lao PDR.

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**H. Conclusion**

22. The ASEAN inter pillar policy dialogue on the impact of ASEAN economic integration in labour sector will be the primary policy dialogue organised by Malaysia as one off event under the ASEAN Labour Ministers' (ALM) Work Programmes of 2016 – 2020. The policy dialogue is supported by ASEC, ILO, UN Women and FES. The deliberation of policy dialogue is on economic and gender issues that influence the labour sector that transcends the AEC and ASCC pillars. The policy dialogue can help to set a common direction for AMS to work together on economic and gender issues that influence the labour sector. The outcome of the policy dialogue will be put across to the ASEAN Labour Ministers' Meeting in May 2016, in Vientiane, Lao PDR.

**International Division**

**Ministry of Human Resources of Malaysia**

**1 March 2016**